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MARCH 16, 1983

# IRON AGE

THE MAGAZINE FOR METALWORKING MANAGEMENT

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## THE TRUTH ABOUT CAPITAL SPENDING

HI-TECH REPORT: HOW THE COMPUTER IS REVOLUTIONIZING NDT

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VOL. 226, NO. 8

# IRON AGE

MARCH 16, 1983

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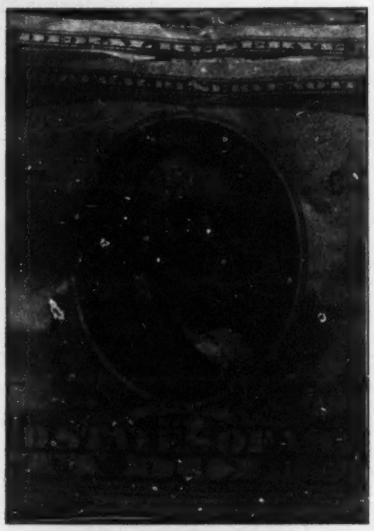

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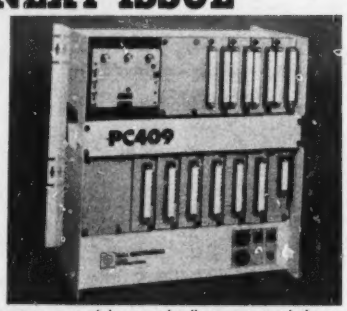


Programmable controllers move into motion control.

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# A DARK CLOUD OF PLANT HANGS OVER SUNNY

The automobile and steel companies are shutting facilities due to poor market conditions, import competition and inefficient operations.

*"Well I'm not braggin' babe, so don't put me down.*
*But I've got the fastest set of wheels in town.*
*When something comes up to me, and he don't even try*
*'Cause if I had a set of wings, man, I know she could fly.*
*She's my little deuce coupe. You don't know what I got."*

***The Beach Boys, 1963***

BY AL SENIA

From the beginning, cars and California seemed to stand together.

Beginning in 1912, when Ford Motor Co. unveiled its first sales service branch in downtown Los Angeles through the 1960s and 1970s when more than one million cars per year were manufactured at California plants, the marriage between the two seemed eternal.

The list of cars built in the state reads like a roster of vintage Americana: the ill-fated Edsel, populist Mercury Comet, sizzling Mustang, sleek Camaro, LTDs, Escorts, Tempests, Buick Specials, Firebirds. In all, Ford, Chrysler and General Motors produced more than 15 million trucks and cars before the recession started taking its toll, the imports invaded and closures began. The industry once employed 20,000 in the state.

Now, unemployment lines are replacing assembly lines. Only one shift at one General Motors plant in suburban Van Nuys stands between the California auto industry and oblivion. The future outlook is bleak; few expect any large-scale recovery for the California auto industry even if the market improves. California, in response, is participating in a comprehensive worker retraining and placement program for thousands of auto and other industrial workers who have lost jobs.

Chrysler pulled out of the manufacturing end of the market in 1971. Ford closed a manufacturing facility in Pico Rivera near Los Angeles in 1980 and is shutting down its other near San Jose in May. General Motors shuttered facilities in South Gate and Fremont last year. Only Van Nuys remains operational, and GM eliminated the second shift of 2,500 workers there last year.

Some officials have speculated that recent sales increases might result in the workers being recalled. But the United Autoworkers has become so alarmed by the automaker's plans to consolidate manufacturing operations in the Midwest, that it fears the entire Van Nuys plant may be shut. Union leaders, legislators and community groups launched an effort in March to convince GM that it has a "moral responsibility" to keep Van Nuys operating.

Meanwhile, GM and Toyota Motor Corp. announced plans in February to establish a joint venture to produce cars at the Fremont plant. But it is not certain that the idled auto workers will be hired by the new company.

The agreement is tinged with irony. Imports are being blamed for the decline of the California auto industry. Nearly 51 pct of new car sales in California in 1981 were imports, compared to less than 30 pct nationally. Since the parts from which the American cars were assembled were shipped from the

# CLOSINGS CALIFORNIA

Middle West, when West Coast buyers turned increasingly to imports, major manufacturers faced high backshipping costs. There were some estimates that GM had to backship as much as 75 pct of its California cars to the East Coast market. Ford faced a similar problem.

"We're not conceding anything to the Japanese," said spokesman Dick Dewey, in explaining why Ford is preparing to shut down its last remaining California production plant near San Jose in May. "Our role is to introduce products that compete head-to-head. We plan to continue the battle, but you can't do it from a manufacturing base on the West Coast at this time. To manufacture on the West Coast, we have to ship parts out from the east. Then we have to either sell in the area or backship to markets that take them."

The battle of the auto manufacturers is one that has spread well beyond their confines. California, which often boasted it was a "Gateway to the Pacific Rim" through which American products could be shipped inexpensively to Asia, has discovered over the past decade that the gateway is a decidedly two-way street. Tens of thousands of workers have permanently lost their jobs, and the belief among state officials is that those hanging on to their posts in basic industries that produce autos, steel and tires may be the last generation here to do so.

The California Employment Development Department estimates that since 1980, 1,127 plants have closed in the state and 123,304 workers have lost their jobs. More than two dozen additional firms employing 7,600 workers already have announced plans to follow suit in 1983. Among the industries most severely affected are transportation equipment (which include auto and truck production) where there have been 33 plant closures and 19,705 jobs lost; primary metal industries (14 closures, 2,844 laid off); fabricated metal (37 closures, 4,546 unemployed), and machinery (30 closures, 5,045 jobs eliminated).

The pattern of West Coast closures began to develop in the 1970s. It was the rubber industry that first fell to imports and its own weaknesses that sprang from antiquated facilities. With imported tires capturing an increasing share of the market—and with the advent of radials that the California facilities were not geared to produce—closures began and quickly spread.

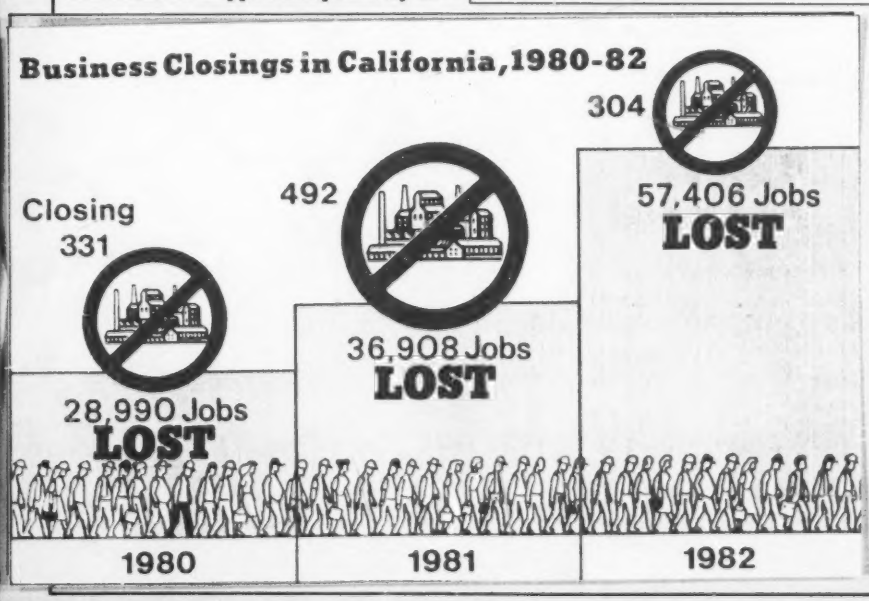
West Coast steel manufacturers also are reeling from the recession. Once

## Business Closures by Major Industry

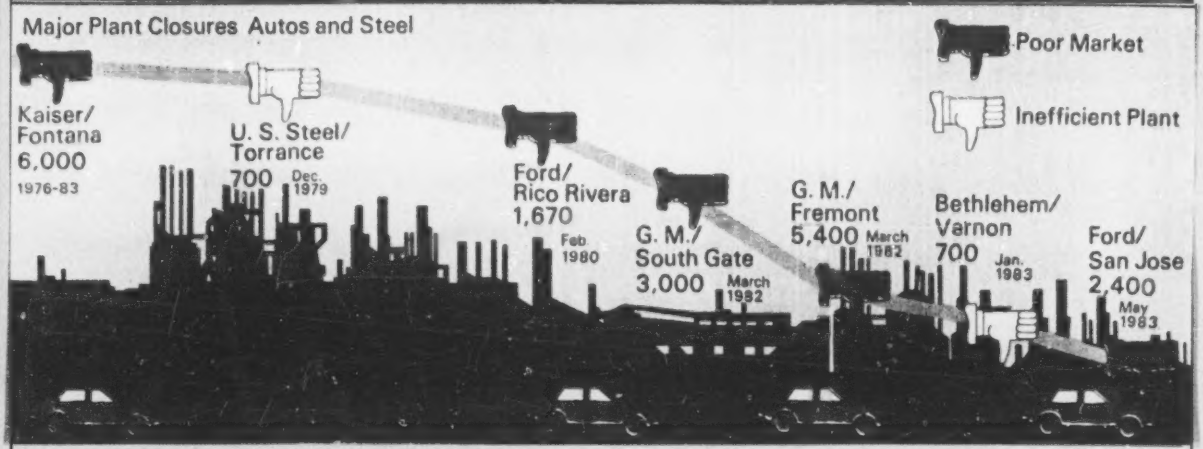
California 1980-1982

| SIC | SIC NAME | JOBS LOST* | CLOSURES** |
|---|---|---|---|
| 30 | Rubber, Plastics Products | 5,725 | 17 |
| 33 | Primary Metals | 2,844 | 14 |
| 34 | Fab. Metal except machinery & transp. | 4,546 | 37 |
| 35 | Machinery, Except Electrical | 5,045 | 30 |
| 36 | Electrical and Electronic | 8,722 | 29 |
| 37 | Transportation Equipment | 19,705 | 33 |
| 55 | Automotive dealers, Gas Stations | 3,964 | 63 |
| 75 | Auto Repair, Garages | 385 | 8 |

*Jobs Lost=Firms' peak monthly employment in 24 months prior to closure. **Data for less than 3 firms are suppressed for confidentiality.



## Charting the West Coast Decline




Iron Age Survey

again, imports are being singled out as the major culprit. Kaiser Steel has been especially hard hit. The company sold its coke plant and several blast furnaces in Fontana and is restructuring its steelmaking operations there. In 1981 the company announced that steelmaking, the coke plant, slabbing mill and blast furnaces would be phased out this year. Finishing facilities—strip mill, plate mill, tin mill, and galvanizing mill—are being operated on an as-needed basis.

The labor force is down to about 2,500 from a 1979 peak of 8,500. Bethlehem Steel Corp. shut down its Vernon plant in 1982 and is planning to sell a profitable Seattle plant. The Vernon facility had been operating at about 30 pct of its steelmaking capacity of 450,000 tons. Poor profits were blamed for the divestiture of West Coast steelmaking operations.

U. S. Steel also has been belt-tightening. The company permanently closed its Torrance, Calif. facility in December 1979, laying off 700. And at Geneva Wells near Provo, Utah, the work force has been reduced because that plant has been operating 35 to 40 pct of capacity. About 2,000 employees have been laid off. "We're providing steel as we find the customers," said David Bigler, a West Coast company spokesman.

The impact on related industries and on communities where these closures and layoffs have occurred is varied. The auto industry shutdown had little effect on related industries because the plants were solely assembly centers.

The effects of the steel manufacturing shutdown, however, appear to be more dramatic. While many West Coast mini-mills are continuing to produce specialty products as demand dictates, there is fear Kaiser's impact as a stabilizing force on the steel market will be felt over the long-term.

Group Arcon, a Los Angeles-based study group, prepared a report on Kaiser for the San Bernardino Economic Development Department in 1980. That study found that "the competition in the market place has led out-of-state producers to offer freight allowances to meet the price of the local mill (Kaiser Steel) and forced the price of imports to a competitive level. It is reasonable to assume that in the absence of a local producer, other mills will no longer give these discounts. The impact on the local economy would be very significant."

The study estimated steel prices could rise in the California market by $60 to $100 a ton if Kaiser stopped making steel in California.

Imports have been routinely cited as the reason for many West Coast industrial closures. But Carl Grossenbacher, the assistant chief of the California Job Service Division of the Employment Development Department, says there are other factors at work. Many of the basic industries like steel, automobiles and rubber are feeling shake-out effects from old, inefficient plants and archaic operating procedures. It's no surprise to him that many of the shuttered facilities don't reopen when economic conditions improve.

Whatever the factors, all sides are pleased with California's unique efforts to establish training and re-employment centers in areas hardest hit by industrial closings. The state has been a leader in getting the private sector to lend a hand.

More than 20 centers have been established around the state. About one dozen are operating presently. Mr. Grossenbacher says the state will temporarily establish the job service office when it appears a community will be adversely affected by closings and local employers are willing to lend a hand.

The centers are temporary, he stresses, because the state cannot afford to establish numerous new job service field offices.

The job plan that has attracted the largest attention in California involves an $8 million commitment by General Motors, the state and the United Auto Workers to counsel, retrain and place thousands of auto workers. About $4 million of the money comes from a special training fund negotiated between G.M. and the union last year. The remainder comes from state and Federal sources.

Approximately 8,400 former G.M. employees are eligible, including the 5,400 laid off at Fremont and 3,000 from South Gate. "It's historic," says Mr. Grossenbacher. "We've never seen so many agencies working together." Officials describe the program, which will run through this year, as a unique attempt to match laid off workers with specific new jobs in fields where there are labor shortages.

The California program could serve as a model for the U.S. auto industry. Ford officials also are considering undertaking a similar effort with the state. The company in December began operating its own program to develop jobs to train and to place workers laid off in Pico Rivera (and now, Milpitas near San Jose).

"Our people have been out actively searching for jobs," says Ford's Dick Dewey. We're all doing all we can. These employees are extremely good and loyal and they've had long service with Ford. We're very concerned that they make the best decisions about their futures that is possible." □

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EFFECTIVE FEBRUARY 28, 1983

# MATERIALS NEWSFRONT

## Important Notice About Iron Age Scrap Prices

Beginning with the Jan. 21 issue Iron Age has been publishing only one set of scrap prices per issue—those with the effective date as close to the issue date as printing schedules permit. Prices for other weeks are available on a weekly basis through our Metal Price Phone Hotline or through our Weekly Price Newsletter.

### Lake Superior Ore Prices

51.50% Fe Natural delivered lower Lake ports. Rail transportation, handling and unloading may be charged to the account of the buyer. Coarse ore 80¢ premium.

Pellets (per iron unit natural)..... gross-ton 80.50-86.9*
Old range, non-bessemer ..... gross-ton $32.78
Mesabi, regular-unscreened ..... gross-ton $32.53
Mesabi, non-bessemer.....gross-ton $32.25-32.53**

*80.50¢—Pickands Mather as of 1/27/81.
**86.9¢—U. S. Steel as of 3/15/82. Cleveland-Cliffs as of 2/26/82. Oglebay Norton as of 3/25/82, and Hanna Mining as of 2/26/82.

## Steel Production, Composite Prices

(Effective February 28, 1983)

| U.S. Steel Production | Last Week | Two Weeks Ago | To Date 1983 | To Date 1982 |
|---|---|---|---|---|
| Net tons, in thousands | 1,457 | 1,401 | 10,770 | 14,216 |
| Capability Utilization Rate | 50.3 | 48.3 | 45.6 | 59.3 |

| Composite Prices | This Week | Week Ago | Month Ago | Year Ago |
|---|---|---|---|---|
| Finished Steel Base* (¢/lb.—eff. 2/14/83) | 26.217 | 26.217 | 25.954 | 25.195 |
| Pig Iron* * (Net ton= 2000 lbs.) | $213.00 | $213.00 | $213.00 | $213.00 |
| Scrap No. 1 hvy.* * * (Gross ton=2240 lbs.) | $ 75.17 | $ 69.83 | $ 67.50 | $ 82.50 |
| No. 2 bundles | $ 51.83 | $ 47.83 | $ 47.83 | $ 56.17 |
| **Scrap Comparison (Gross Ton)** | | | | |
| No. 1 steel, Pittsburgh . | $ 79.50 | $ 74.50 | $ 69.50 | $ 92.50 |
| No. 1 steel, Philadelphia | 63.50 | 63.50 | 61.50 | 75.50 |
| No. 1 steel, Chicago..... | 82.50 | 71.50 | 71.50 | 79.50 |
| No. 1 bundles, Detroit.. | 75.50 | 61.50 | 61.50 | 83.50 |
| Low Phos., Youngstown | 69.50 | 69.50 | 69.50 | 95.50 |
| No. 1 mach'y cast., Pgh | 79.50 | 66.50 | 66.50 | 93.50 |
| No. 1 mach'y cast., Phila | 98.50 | 98.50 | 98.50 | 113.50 |
| No. 1 mach'y cast., Chi.. | 112.50 | 109.50 | 109.50 | 124.50 |

*Finished Steel Composite
Weighted index of steel bars, shapes, plates, wire, rails, black pipe, hot and cold rolled sheets and strips.
**Pig Iron Composite
Based on average prices for basic and foundry pig iron at representative producing points within the U.S.
***Steel Scrap Composite
Average of No. 1 hvy. melting steel scrap and No. 2 bundles delivered to consumers at Pittsburgh, Philadelphia and Chicago.

## Nonferrous Prices

(Effective February 28, 1983)
Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated.

### Primary Metal Prices

| (cents per lb.) | current price | last price | date of change |
|---|---|---|---|
| Aluminum | 76.00 (Nom.) | 76.00-80.00 | 1/4/82 |
| Copper (C) | 84.00 | 83.00-84.00 | 2/25/83 |
| Lead | 21.00-23.00 | 20.50-23.00 | 2/17/83 |
| Magnesium Ingot | 134.00 | 125.00 | 6/1/81 |
| Nickel | 329.00 | 350.00 | 11/25/81 |
| Titanium Sponge | 555.00-585.00 | 555.00 | 4/29/82 |
| Zinc | 40.00 | 38.00-40.00 | 1/11/83 |

ALUMINUM: 99.5%. COPPER (C) = cathode. LEAD: common grade. MAGNESIUM: 99.8% pig. Velasco, Tex. NICKEL: electro., Port Colborne, Canada. ZINC: high grade.

Antimony, American Laredo, Texas . $2.00
Beryllium-aluminum 5% Be, per lb. contained Be ..... $201.00
Beryllium-copper, per lb. cont. Be $121.00
Beryllium 97% powder 200 ..... $166.00
Bismuth, ton lots ..... $1.25-$1.40
Cadmium, under one ton ..... $1.05-$1.15
Calcium, ton lots, crown ..... $3.05
Chromium, 99.8% ..... $3.75
Cobalt, 99%, cathode ..... $12.50
Gold per troy oz. ..... $408.50
Indium, dollars per troy oz. ..... $2.60-$2.85
Iridium, dollars per troy oz. ..... $600
Magnesium sticks, 10,000 lbs. ..... $1.91
Mercury, per 76-lb. f.o.b. N.Y. ..$325-$350
Molybdenum, lb. tech. moly oxides, 20 lb. MO can ..... $5.85
Nickel oxide sinter at U.S. points of entry ..... $3.12
Palladium, per troy oz. ..... $140
Platinum, per troy oz. ..... $475
Rhodium, per troy oz. ..... $600.00
Silver ingots, per troy oz. ..... $10.95
Vanadium ..... $4.94
Zirconium sponge ..... $12.00-$17.00
*(Per lb. unless otherwise noted)*

### Straits Tin Price

*(U.S. cents per lb, EX-SMELTER, based on daily market in Penang in Malaysian dollars per kilo.)*

Feb. 21—590.58 Feb. 24—589.37
Feb. 22—590.31 Feb. 25—590.57
Feb. 23—588.03

### Scrap Prices

#### Brass Mill Scrap

*(Cents per lb; over 20,000 lbs. add 1¢ per lb)*

| | Solids | Turning |
|---|---|---|
| Copper | 75½ | 66¼ |
| Yellow brass | 64¼ | 63 |
| Red brass | 69½ | 65 |
| Comm. bronze | 71 | 65 |
| Mang. bronze | 62¾ | 61 |
| Free cutting rod ends | 55 | 54 |

#### Custom Smelters Scrap

*(Cents per lb., carload lots, del. refinery)*

| | |
|---|---|
| No. 1 copper wire | 71 |
| No. 2 copper wire | 63 |
| Light copper | 54 |

#### Ingot Makers Scrap

*(Cents per lb., carload lots, del. refinery)*

| | |
|---|---|
| No. 1 copper wire | 67 |
| No. 2 copper wire | 59 |
| Light copper | 50 |
| No. 1 composition | 53 |
| No. 1 comp. turnings | 49 |
| Hvy. yellow brass solids | 36 |
| Hvy. yellow brass turnings | 27 |
| Radiators | 43 |

*Aluminum*

| | | |
|---|---|---|
| New mixed clips | 31 | —32 |
| Old sheet | 29 | —30 |
| Old cast | 29 | —30 |
| Clean dry borings | 30 | —31 |

#### Dealers' Scrap

*(Dealers' buying price f.o.b. New York in cents per pound)*

**Aluminum**

| | | |
|---|---|---|
| Segregated clippings | 25 | —26 |
| Mixed L.C. clips | 22 | —23 |
| Old sheets and cast | 17 | —18 |
| Borings and turnings | 11 | —12 |
| Duraluminum clippings | 22 | —23 |

**Copper and Brass**

| | | |
|---|---|---|
| No. 1 copper wire | 53 | —54 |
| No. 2 copper wire | 46 | —47 |
| Light copper | 42 | —43 |
| Radiators | 35 | —36 |
| No. 1 composition | 42 | —43 |
| No. 1 composition turn'gs | 40 | —41 |
| Cocks and faucets | 31 | —32 |
| Clean heavy yellow brass | 29 | —30 |
| Brass Pipe | 29 | —30 |
| New soft brass clippings | 41 | —42 |

**Lead**

| | | |
|---|---|---|
| Heavy soft lead | 10 | —11 |
| Whole batteries | 4 | — 5 |
| Type metal | 15 | —16 |
| Electrotype | 17 | —18 |

**Nickel**

| | | |
|---|---|---|
| Nickel solids | 95 | —100 |
| Nickel rod ends | 95 | —100 |
| Nickel sheets, clips | 95 | —100 |
| Nickel turnings | 45 | — 50 |

**Zinc**

| | | |
|---|---|---|
| New zinc clippings | 15 | —16 |
| Old diecast zinc | 9 | —10 |

EFFECTIVE FEBRUARY 28, 1983

# MATERIALS NEWSFRONT

(Effective February 28, 1983) Prices obtained in trade based on representative tonnages per gross ton delivered to consumer unless otherwise stated. Prices are the opinions of *Iron Age* editors and correspondents, based on contacts with dealers, brokers, generators and users in the industry on the effective date listed above.

## Ferrous Scrap Prices

### Pittsburgh

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 79.00 to | $ 80.00 |
| No. 2 hvy. melting | 69.00 to | 70.00 |
| No. 1 dealer bundles | 91.00 to | 92.00 |
| No. 1 factory bundles (auto) | 91.00 to | 92.00 |
| No. 2 bundles | 54.00 to | 55.00 |
| No. 1 busheling | 91.00 to | 92.00 |
| Machine shop turn. | 13.00 to | 14.00 |
| Shoveling turnings | 25.00 to | 30.00 |
| Cast iron borings | 28.00 to | 29.00 |
| Low phos. punchings plate | 91.00 to | 92.00 |
| Heavy turnings | 69.00 to | 70.00 |
| No. 1 RR hvy. melting | 84.00 to | 85.00 |
| Rails 2 ft. and under | 94.00 to | 95.00 |
| Scrap rails, random lgth. | 87.50 to | 88.50 |
| RR specialties | 83.00 to | 84.00 |
| No. 1 machinery cast | 79.00 to | 80.00 |
| Cupola cast | 74.00 to | 75.00 |
| Heavy breakable cast | 30.00 to | 31.00 |
| Stainless | | |
| 18-8 bundles and solids | 465.00 to | 475.00 |
| 18-8 turnings | 365.00 to | 375.00 |

### Chicago

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 82.00 to | $ 83.00 |
| No. 2 hvy. melting | 66.00 to | 67.00 |
| No. 1 dealer bundles | 90.00 to | 91.00 |
| No. 1 factory bundles (auto) | 93.00 to | 94.00 |
| No. 2 dealer bundles | 54.00 to | 55.00 |
| No. 1 busheling | 84.00 to | 85.00 |
| Shredder scrap | 82.00 to | 83.00 |
| Machine shop turn. | 14.00 to | 15.00 |
| Mixed bor. and turn. | 15.00 to | 16.00 |
| Shoveling turnings | 19.00 to | 20.00 |
| Cast iron borings | 41.00 to | 42.00 |
| Low phos. forge crop | 94.00 to | 95.00 |
| Low phos. punchings plate ¼ in. and heavier | 100.00 to | 101.00 |
| Low phos. 2 ft. and under | 94.00 to | 95.00 |
| No. 1 RR hvy. melting | 84.00 to | 85.00 |
| Scrap rails, random lgth. | 76.00 to | 77.00 |
| Reroller rails | 101.00 to | 102.00 |
| Rails, 2 ft. and under | 97.00 to | 98.00 |
| RR couplers and knuckles | 86.00 to | 87.00 |
| RR car axles | 109.00 to | 110.00 |
| No. 1 machinery cast | 112.00 to | 113.00 |
| Cupola cast | 97.00 to | 98.00 |
| Stove plate | 94.00 to | 95.00 |
| Steel car wheels | 89.00 to | 90.00 |
| Stainless | | |
| 18-8 bundles and solids | 440.00 to | 450.00 |
| 18-8 turnings | 340.00 to | 350.00 |
| 430 bundles and solids | 105.00 to | 110.00 |
| 430 turnings | 80.00 to | 85.00 |

### Philadelphia

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 62.00 to | $ 65.00 |
| No. 2 hvy. melting | 54.00 to | 57.00 |
| No. 1 dealer bundles | 77.00 to | 80.00 |
| No. 2 dealer bundles | 45.00 to | 48.00 |
| No. 1 busheling | 77.00 to | 80.00 |
| Shredder scrap | 74.00 to | 77.00 |
| Machine shop turn. | 22.00 to | 25.00 |
| Mixed bor. and turn. | 22.00 to | 25.00 |
| Shoveling turnings | 37.00 to | 40.00 |
| Low phos. 5 ft. and under | 75.00 to | 78.00 |
| Low phos. 2 ft. punchings | 89.00 to | 92.00 |
| Electric furnace bundles | 95.00 to | 98.00 |
| RR specialties | 76.00 to | 79.00 |
| Rails, 2 ft. and under | 91.00 to | 94.00 |
| Cupola cast | 60.00 to | 63.00 |
| Heavy breakable cast | 53.00 to | 56.00 |
| No. 1 machinery cast | 97.00 to | 100.00 |

### Detroit

Broker buying prices per gross ton on cars:

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 53.00 to | $ 54.00 |
| No. 2 hvy. melting | 51.00 to | 52.00 |
| No. 1 dealer bundles | 75.00 to | 76.00 |
| No. 2 bundles | 32.00 to | 33.00 |
| No. 1 busheling | 73.00 to | 74.00 |
| Drop forge flashings | 50.00 to | 51.00 |
| Machine shop turn. | 28.00 to | 29.00 |
| Mixed borings and turn. | 14.00 to | 15.00 |
| Shoveling turnings | 28.00 to | 29.00 |
| Cast iron borings | 13.00 to | 14.00 |
| Heavy breakable cast | 32.00 to | 33.00 |
| Mixed cupola cast | 48.00 to | 49.00 |
| Automobile cast | 69.00 to | 70.00 |
| Stainless | | |
| 18-8 bundles and solids | 430.00 to | 440.00 |
| 18-8 turnings | 310.00 to | 320.00 |
| 430 bundles and solids | 120.00 to | 130.00 |

### Youngstown

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 67.00 to | $ 68.00 |
| No. 2 hvy. melting | 59.00 to | 60.00 |
| No. 1 dealer bundles | 79.00 to | 80.00 |
| No. 2 dealer bundles | 39.00 to | 40.00 |
| Machine shop turn. | 2.00 to | 3.00 |
| Shoveling turnings | 7.00 to | 8.00 |
| Low phos. plate | 69.00 to | 70.00 |
| Electric furnace bundles | 75.00 to | 76.00 |
| Galvanized bundles | 65.00 to | 66.00 |

### Cleveland

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 69.00 to | $ 70.00 |
| No. 2 hvy. melting | 29.00 to | 30.00 |
| No. 1 dealer bundles | 77.00 to | 78.00 |
| No. 1 factory bundles | 89.00 to | 90.00 |
| No. 2 bundles | 24.00 to | 25.00 |
| No. 1 busheling | 77.00 to | 78.00 |
| Machine shop turn. | 2.00 to | 3.00 |
| Mixed bor. and turn. | 2.00 to | 3.00 |
| Shoveling turnings | 5.00 to | 6.00 |
| Cast iron borings | 5.00 to | 6.00 |
| Cut structural & plates, 2 ft. and under | 95.00 to | 96.00 |
| Low phos. punchings plate | 95.00 to | 96.00 |
| Drop forge flashings | 33.00 to | 34.00 |
| Foundry steel, 2 ft. & under | 59.00 to | 60.00 |
| No. 1 RR hvy melting | 63.00 to | 64.00 |
| Rails, 2 ft. and under | 99.00 to | 100.00 |
| Rails, 18 in. and under | 100.00 to | 101.00 |
| Steel axle turnings | 69.00 to | 70.00 |
| Railroad cast | 82.00 to | 83.00 |
| No. 1 machinery cast | 89.00 to | 90.00 |
| Cupola cast | 62.00 to | 63.00 |
| Stove plate | 47.00 to | 48.00 |
| Stainless | | |
| 18-8 bundles | 275.00 to | 285.00 |
| 18-8 turnings | 225.00 to | 235.00 |
| 430 bundles | 75.00 to | 85.00 |

### Buffalo

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 31.00 to | $ 32.00 |
| No. 2 hvy. melting | 21.00 to | 22.00 |
| No. 1 busheling | 36.00 to | 37.00 |
| No. 1 dealer bundles | 34.00 to | 35.00 |
| No. 2 bundles | 18.00 to | 19.00 |
| Machine shop turn. | 7.00 to | 8.00 |
| Mixed bor. and turn. | 14.00 to | 15.00 |
| Shoveling turnings | 16.00 to | 17.00 |
| Cast iron borings | 13.00 to | 14.00 |
| Low phos. plate | 54.00 to | 55.00 |
| Structural and plate, 2 ft. and under | 52.00 to | 53.00 |
| Rails, 2 ft. and under | 48.00 to | 49.00 |
| Scrap rails, random lgth. | 28.00 to | 29.00 |
| No. 1 machinery cast | 69.00 to | 70.00 |
| No. 1 cupola cast | 46.00 to | 47.00 |

### St. Louis

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 58.00 to | $ 59.00 |
| No. 2 hvy. melting | 50.00 to | 51.00 |
| Foundry steel, 2 ft. | 50.00 to | 51.00 |
| No. 1 dealer bundles | 58.00 to | 59.00 |
| No. 2 bundles | 47.00 to | 48.00 |
| Machine shop turn. | 12.00 to | 13.00 |
| Shoveling turnings | 18.00 to | 19.00 |
| Cast iron borings | 30.00 to | 31.00 |
| No. 1 RR hvy. melting | 58.00 to | 59.00 |
| Rails, random length | 55.00 to | 56.00 |
| Rails, 18 in. and under | 70.00 to | 71.00 |
| RR specialties | 80.00 to | 81.00 |
| Cupola cast | 70.00 to | 71.00 |
| Heavy breakable cast | 48.00 to | 49.00 |
| Stove plate | 76.00 to | 77.00 |
| Cast iron car wheels | 49.00 to | 50.00 |
| Rerolling rails | 90.00 to | 91.00 |
| Unstripped motor blocks | 55.00 to | 56.00 |

### Birmingham

| | | |
|---|---|---|
| No. 1 heavy melting | $ 56.00 to | $ 57.00 |
| No. 2 heavy melting | 52.00 to | 53.00 |
| No. 1 dealer bundles | 56.00 to | 57.00 |
| No. 2 bundles | 40.00 to | 41.00 |
| No. 1 busheling | 54.00 to | 55.00 |
| Shredder scrap | 72.00 to | 73.00 |
| Machine shop. turn. | 18.00 to | 19.00 |
| Shoveling turnings | 25.00 to | 26.00 |
| Cast iron borings | 26.00 to | 27.00 |
| Electric furnace bundles | 53.00 to | 54.00 |
| Elec. furnace, 3 ft. & under | 50.00 to | 51.00 |
| Structural and plate, 2 ft. | 73.00 to | 74.00 |
| Structural and plate, 4 ft. | 69.00 to | 70.00 |
| No. 1 RR hvy. melting | 55.00 to | 56.00 |
| Scrap rails, random lgth. | 57.00 to | 58.00 |
| Rails, 18 in. and under | 76.00 to | 79.00 |
| Angles and splice bars | 67.00 to | 68.00 |
| No. 1 cupola cast | 76.00 to | 77.00 |
| Unstripped motor blocks | 52.00 to | 53.00 |

### Cincinnati

Brokers buying prices per gross ton on cars:

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 53.00 to | $ 54.00 |
| No. 2 hvy. melting | 52.00 to | 53.00 |
| No. 1 dealer bundles | 59.00 to | 60.00 |
| No. 2 bundles | 30.00 to | 31.00 |
| Machine shop turn. | 6.00 to | 7.00 |
| Shoveling turnings | 10.00 to | 11.00 |
| Cast iron borings | 11.00 to | 12.00 |
| Low phos. 18 in. and under | 78.00 to | 79.00 |
| Rails, random length | 60.00 to | 61.00 |
| Rails, 2 ft. and under | 82.00 to | 83.00 |
| No. 1 cupola cast | 65.00 to | 66.00 |
| Heavy breakable cast | 29.00 to | 30.00 |
| Drop broken cast | 69.00 to | 70.00 |

### New York

Brokers buying prices per gross ton on cars:

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 31.00 to | $ 32.00 |
| No. 2 hvy. melting | 27.00 to | 29.00 |
| No. 2 dealer bundles | 22.00 to | 23.00 |
| Mixed bor. and turn. | 7.00 to | 8.00 |
| Machine shop turn. | 4.00 to | 5.00 |
| Shoveling turnings | 10.00 to | 12.00 |
| Clean cast. chem. borings | 34.00 to | 35.00 |
| No. 1 machinery cast | 89.00 to | 90.00 |
| Mixed yard cast | 38.00 to | 39.00 |
| Heavy breakable cast | 14.00 to | 15.00 |
| Stainless | | |
| 18-8 prepared solids | 410.00 to | 425.00 |
| 18-8 turnings | 300.00 to | 325.00 |
| 430 prepared solids | 70.00 to | 80.00 |
| 410 solids | 60.00 to | 70.00 |

### Boston

Brokers buying prices per gross ton on cars:

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 38.00 to | $ 40.00 |
| No. 2 hvy. melting | 28.00 to | 30.00 |
| No. 1 dealer bundles | 40.00 to | 42.00 |
| No. 2 bundles | 29.00 to | 31.00 |
| No. 1 busheling | 40.00 to | 42.00 |
| Shredder scrap | 43.00 to | 45.00 |
| Machine shop turn. | 3.00 to | 5.00 |
| Shoveling turnings | 7.00 to | 9.00 |
| No. 1 machinery cast | 105.00 to | 110.00 |
| Mixed cupola cast | 28.00 to | 30.00 |
| Heavy breakable cast | 8.00 to | 10.00 |

### San Francisco

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 39.00 to | $ 41.00 |
| No. 2 hvy. melting | 31.00 to | 33.00 |
| No. 1 dealer bundles | 26.00 to | 28.00 |
| No. 2 dealer bundles | 11.00 to | 13.00 |
| Machine shop turn. | 4.00 to | 6.00 |
| Cast iron borings | 4.00 to | 6.00 |
| No. 1 cupola cast | 83.00 to | 85.00 |

### Los Angeles

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 38.00 to | $ 40.00 |
| No. 2 hvy. melting | 27.00 to | 29.00 |
| No. 1 dealer bundles | 25.00 to | 27.00 |
| No. 2 dealer bundles | 8.00 to | 10.00 |
| Machine shop turn. | 4.00 to | 6.00 |
| Shoveling turnings | 8.00 to | 10.00 |
| Cast iron borings | 4.00 to | 6.00 |
| Elec. furnace, 1 ft. and under (foundry) | 84.00 to | 86.00 |
| No. 1 cupola cast | 86.00 to | 88.00 |

### Seattle

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 55.00 to | $ 57.00 |
| No. 2 hvy. melting | 44.00 to | 46.00 |
| No. 2 bundles | 33.00 to | 35.00 |
| No. 1 cupola cast | 90.00 to | 92.00 |
| Mixed yard cast | 78.00 to | 80.00 |

### Hamilton, Ont.

Brokers buying price per net ton on cars:

| | |
|---|---|
| No. 1 heavy melting | $ 43.00 |
| No. 2 heavy melting cut 2 ft. and under | 40.00 |
| No. 1 dealer bundles | 50.00 |
| No. 2 bundles | 10.00 |
| Mixed steel scrap | 24.00 |
| Bush. new fact. prep'd. | 48.00 |
| Bush. new fact. unprp'd. | 40.00 |
| Machine shop turn. | 23.00 |
| Short steel turn. | 26.00 |
| Mixed bor. and turn. | 15.00 |
| Cast scrap | 40.00 |

### Houston

Brokers buying prices per gross ton on cars:

| | | |
|---|---|---|
| No. 1 hvy. melting | $ 64.00 to | $ 65.00 |
| No. 2 hvy. melting | 49.00 to | 50.00 |
| No. 2 bundles | 34.00 to | 36.00 |
| Machine shop turn. | 18.00 to | 19.00 |
| Crushed turnings | 33.00 to | 35.00 |
| Shredder scrap | 64.00 to | 65.00 |
| Cut structural plate 2 ft. and under | 84.00 to | 86.00 |
| Unstripped motor blocks | 60.00 to | 62.00 |
| Cupola cast | 69.00 to | 71.00 |

# METALWORKING ORDER TRENDS

## At last, the clouds pass and the sun comes out again

It has been a long wait for many metalworking industry executives.

But it finally happened in December and January—there were two straight months of solid gains in new orders volume.

In the closing month of 1982, durable goods new orders rose a super-strong 8.5 pct from the previous month. And in January, those orders rose a strong 5.4 pct—from $76.6 billion to $80.7 billion.

Most metalworking executives will probably hail that two-month showing as the start of a business recovery. A number of economists, on learning of the latest orders trends, have coupled it with other recent data and agree that a recovery has started.

For the five major metalworking industry groups listed on the table here—primary metals, electrical and nonelectrical machinery, transportation equipment, fabricated metal products and instruments—the January gain was a slightly more moderate 4.4 pct. Only makers of electrical machinery showed an orders dip in January.

Commerce Dept. analysts, in announcing the latest orders data, made a point of noting that if orders for defense industries' capital goods are excluded, then durables new orders in January would have gone up a resounding 10.5 pct.

But these defense capital goods orders still looked strong in January. It is just that December had an explosion in defense goods orders when they more than doubled from $6.6 billion in November.

There was another message on capital goods orders that emerged in the January data. Summed up the Commerce Dept. announcement: "The January increase in orders was predominantly in noncapital goods items . . ." This trend feature is in line with a widely-forecast cyclical lag in capital spending as recovery takes hold. It now looks like nondefense capital goods orders—now 19 pct below their cyclical high of $25.7 billion in April 1981—will not show any sustained rise until the summer, or sometime soon after that.

Metalworking industry orders were not only up in January on a month-to-month basis, but for the first time in many months they were up from year-ago levels. Orders of $68.4 billion in January were up about 7 pct from the same month last year—another sign of recovery.

| Source: U.S. Dept. of Commerce<br>Billions of dollars, seasonally adjusted<br>monthly total, unless otherwise noted | Latest Month or Qtr. | Previous Month or Qtr. | Same Period Year Ago |
|---|---|---|---|
| **Capital Expenditures** (Annual Rates) | | | |
| U.S. Industry, Total | 1st Qtr. | $316.4* | $315.2 | $327.7 |
| Manufacturing, Total | 1st Qtr. | 121.4* | 120.5 | 126.3 |
| Manufacturing, Durable Goods | 1st Qtr. | 57.9* | 55.8 | 60.8 |
| Mining Industry | 1st Qtr. | 16.2* | 15.6 | 17.6 |
| **Key Indicators, Durable Goods Manufacturing** | | | | |
| New Orders | Jan. | 80.7 | 76.6 | 75.1 |
| Shipments | Jan. | 77.0 | 73.4 | 75.6 |
| Inventories | Jan. | 174.0 | 177.0 | 187.1 |
| Unfilled Orders | Jan. | 288.8 | 285.1 | 307.9 |
| **New Orders, Metalworking** | | | | |
| **Capital Goods Producers, Nondefense Industries** | Jan. | 20.9 | 20.2 | 21.7 |
| **Capital Goods Producers, Defense Industries** | Jan. | 8.6 | 11.3 | 6.6 |
| **Primary Metals, Total** | Jan. | 8.3 | 6.7 | 9.2 |
| Steel (SIC 331) | Jan. | 3.5 | 2.5 | 4.5 |
| Iron & Steel Castings (SIC 332) | Jan. | .8 | .7 | .6 |
| Nonferrous Metals | Jan. | 4.0 | 3.5 | 3.9 |
| **Nonelectrical Mach.-Equip. Industries, Total** | Jan. | 13.4 | 12.5 | 15.1 |
| Engines & Turbines | Jan. | 1.0 | .3 | 1.2 |
| Farm Machinery & Equipment (Shipments) | Jan. | .9 | 1.0 | .9 |
| Construction, Mining & Materials Hdlg. Equip. | Jan. | 1.9 | 1.9 | 3.0 |
| General Industrial Machinery | Jan. | 1.1 | 1.2 | 1.4 |
| Fluid Power Equipment** (Index-1972=100) | Jan. | 209 | 155 | 216 |
| Metalworking Machinery | Jan. | .7 | .6 | .8 |
| Machine Tools, Total (Millions $, unadjusted)*** | Jan. | 91.6 | 121.0 | 205.2 |
| Machine Tools, Metal-Cutting*** | Jan. | 57.6 | 85.8 | 156.0 |
| Machine Tools, Metal-Forming*** | Jan. | 34.0 | 35.2 | 49.2 |
| **Electrical Mach. & Equip. Industries, Total** | Jan. | 12.0 | 12.5 | 11.8 |
| Elec. Transmission Equip. & Industrial Apparatus | Jan. | 1.4 | 1.7 | 1.8 |
| Household Appliances | Jan. | 1.3 | 1.0 | 1.0 |
| Communication Equipment | Jan. | 4.0 | 4.8 | 3.6 |
| **Transportation Equip. Industrial, Total** | Jan. | 21.7 | 21.7 | 15.2 |
| Motor Vehicles & Parts (Shipments) | Jan. | 10.4 | 8.6 | 9.0 |
| Aircraft, Missiles & Parts | Jan. | 8.9 | 7.4 | 5.8 |
| Shipbuilding & Military Tanks | Jan. | 1.6 | 5.0 | 1.5 |
| **Fabricated Metal Products, Total** | Jan. | 9.0 | 8.4 | 8.8 |
| **Instruments, Total** | Jan. | 4.0 | 3.7 | 3.9 |

*Est.—Commerce Dept.; **Source: National Fluid Power Assn.; ***Source: NMTBA